

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0797-04
Bill No.: Truly Agreed To and Finally Passed HCS for HB 136
Subject: Unemployment Compensation; Military Affairs
Type: Original
Date: May 19, 2011

Bill Summary: This proposal allows a spouse of an active member of the United States Armed Forces to be eligible for unemployment benefits if accompanying the military spouse in the event of a military transfer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Conservation Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
State Road Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Unemployment Compensation Trust Fund	(\$1,029,657)	(\$994,958)	(\$906,473)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$1,029,657)	(\$994,958)	(\$906,473)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 288.050, 288.090; 288.100 Military Spouses & Unemployment Compensation

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume that under the proposed legislation, individuals who quit work to relocate due to their spouses' military change of station would be eligible for unemployment benefits. If enacted, the projected payout amount from the trust fund is estimated to be 0.09% of total benefits paid, or \$1,029,657 in FY2012, \$994,958 in FY2013, and \$906,473 in FY2014. DOLIR assumes that 0.09% of total benefits will be paid to trailing military spouses. This percentage is based on the actual experience of Colorado, Florida, Kansas, Montana, and New Mexico (the only states with available data).

This proposed change allows the benefits paid to these trailing military spouses to be non-charged to a specific employer. These benefits would be charged to a "pool" and the costs spread among all employers.

Officials at the **Missouri Department of Transportation (MoDOT)** assume this proposed legislation would allow the spouse of an active duty military member to voluntarily quit his or her job in order to relocate with the spouse and still collect unemployment. The military member's relocation must be mandatory and permanent and it must be "impractical" for the spouse to commute to his/her current place of employment from the military spouse's new location.

This affects MoDOT because without the proposed legislation, the MoDOT employee who chose to quit employment and relocate with his/her spouse would be disqualified from receiving unemployment benefits. The proposed legislation appears to require MoDOT to pay those benefits even though the separation of employment was completely voluntary. It is difficult to determine the monetary effect this would have upon MoDOT because it is not clear how many MoDOT employees are married to active military members.

Officials at the **Missouri Department of Conservation** assume an unknown fiscal impact on the Department, but expected to be less than \$100,000. This requirement may increase our unemployment contribution rate, but the exact amount is unknown.

Officials at the **Office of Administration** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Section 324.008 Military Spouses and Professional Licenses

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Labor and Industrial Relations** assume section 324.008 enumerates the conditions under which nonresident military spouses may obtain temporary courtesy licenses to practice their occupations in Missouri. Only trailing military spouses with sufficient wages in Missouri may receive unemployment benefits in Missouri. Therefore, this section does not affect Missouri's Unemployment Compensation trust fund.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
CONSERVATION FUND			
<u>Cost</u> - Dept of Conservation military spouse unemployment benefits	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION FUND	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
STATE ROAD FUND			
<u>Cost</u> - Dept of Transportation military spouse unemployment benefits	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
UNEMPLOYMENT COMPENSATION TRUST FUND			
<u>Cost</u> - DOLIR military spouse benefits paid	<u>(\$1,029,657)</u>	<u>(\$994,958)</u>	<u>(\$906,473)</u>
ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION TRUST FUND	<u>(\$1,029,657)</u>	<u>(\$994,958)</u>	<u>(\$906,473)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be affected as a result of this proposal.

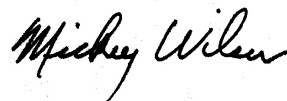
FISCAL DESCRIPTION

This act allows spouses who leave employment to follow their military spouses in the event of a military transfer, to qualify for unemployment compensation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration



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Director
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